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Survey: Two-thirds of Md. Businesses Report High Taxes are Curbing Growth

BALTIMORE, MD (March 10, 2020) — As Maryland legislators consider \$700 million in new tax increases, a new survey reveals that nearly two-thirds of Maryland businesses report already being hurt by the existing tax climate in Maryland. That is one of several new finding from the new Maryland Business Climate Survey, a joint project of the University of Baltimore's Jacob France Institute and the Maryland Public Policy Institute.

The Survey offers the only quantitative glimpse into employer confidence in Maryland's economic competitiveness. The Survey captures rare insights from 250 senior executives in Maryland on a range of business climate factors, from sales and hiring to state tax policy and workforce strength. Read the full survey at mdbusinessclimate.org.

The latest Survey results, which cover all of 2019, include:

- **Maryland's High Tax Problem:** Sixty-five percent of Maryland businesses reported being negatively impacted by Maryland's taxes and 24% reported being negatively impacted by state regulations. Forty-three percent of responding firms reported taxes to be the greatest disadvantage to doing business in Maryland. This is up slightly from 39% in 2018.
- **Workforce Shortage Curbs Growth:** Maryland businesses reported difficulties in finding the workers needed to support operations, with 48% of businesses reporting experiencing difficulties in obtaining workers with the skills necessary to fill specific job requirements and 78% experiencing either long-term shortages or both long- and short-term shortages.
- **Firms Outside I-95 Corridor More Pessimistic about Businesses Climate:** Firms outside of the I-95 corridor have the least positive view of Maryland's business climate, with 39% rating it pro-business or business friendly and 32% unfriendly to business or anti-business, and firms in the Washington suburbs have the most positive view, at 53% and 12% respectively.

"Maryland's chronically high taxes continue to be a major sore point for job creators across the state," said Richard Clinch, Ph.D., author of the Survey. "As Maryland legislators debate an array of tax increases on services ranging from plumbing to haircuts, lawmakers and the private sector will need to have a candid dialogue on how this tax plan impacts their ability to retain existing jobs and create new ones."

The Maryland General Assembly is currently considering \$700 million in new taxes, including taxes on digital purchases and advertising.

Read the full survey findings at mdbusinessclimate.org.

About the Maryland Public Policy Institute: Founded in 2001, the Maryland Public Policy Institute is a nonpartisan public policy research and education organization that focuses on state policy issues. The Institute's mission is to formulate and promote public policies at all levels of government based on principles of free enterprise, limited government, and civil society. Learn more at mdpolicy.org.

About the University of Baltimore's Jacob France Institute: The Jacob France Institute serves as a leading source of high-quality statistical information and research covering the interaction of business, worker, and government investment decisions. We manage and participate in alliances with research partners in other states to further discovery of new information that shapes important business and government policy decisions. In conducting our research, we respect privacy, protect confidentiality, and shun partisanship. Learn more at <http://www.jacob-france-institute.org/>

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